

CENTRAL INTELLIGENCE AGENCY  
INFORMATION FROM  
FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT NO. [REDACTED]

CD NO.

COUNTRY COMMUNIST CHINA

SUBJECT INDICATIONS OF PSYCHOLOGICAL VULNERABILITIES

HOW  
PUBLISHED

WHERE  
PUBLISHED

DATE  
PUBLISHED

LANGUAGE

DATE OF  
INFORMATION [REDACTED]

DATE DIST. 20 MAY 52

NO. OF PAGES 31

SUPPLEMENT TO  
REPORT NO.

CHANGE TO  
UNCLASSIFIED  
PER REGRADING  
BULLETIN NO. 20

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE  
OF THE UNITED STATES WITHIN THE MEANINGS OF ESPIONAGE ACT OF  
U. S. C. 51 AND 52, AS AMENDED. ITS TRANSMISSION OR THE REVELATION  
OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED  
BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SUMMARY

Calls for more dependable cadres "to replace and combat" agents of capitalists, and vows to continue the drive to a victorious conclusion, indicate considerable difficulty in closing the anticorruption drive. Despite Shanghai plans for a sane, quiet, and efficient five-anti's campaign, this drive seems to be degenerating, with "small-scale accusation meetings" tolerated, and a policy of "leniency toward confession and strictness toward resistance." Evidence that the general tone of the anticorruption drive has proved offensive is apparent in a statement cautioning People's Tribunals to handle corruption cases in such a way as to "uphold the dignity of the law," and urging "consideration for trained personnel, regardless of their corruption." One broadcast said that in Yunnan Government organs leadership in the drive was so bad that it "actually endangered the working class movement by its ignorance."

Dislocations in the Chinese economy as a result of the drive are unmistakable. State trading companies sent teams to villages to sell merchandise, with these salesmen "now more polite to their customers." Numerous broadcasts report meetings or movements "to revive normal business." Factory owners are urged to "reopen their businesses and pay workers' salaries." Huge quantities of goods are reported rotting in neglected warehouses. The quality of silk produced by one factory dropped because the workers "lost interest in production." In some industries untrained workers were promoted to responsible positions, but were unable to do the work, "felt unequal to the task," or "even refused to take the jobs." Claims that elimination of graft have made huge cuts in production costs, with price cuts as great as 40 percent, are not reflected in Shanghai market quotations. The real reason for price cuts by State trading companies is perhaps disclosed by a Chungking broadcast reporting cuts "to increase the sale of food." State trading companies are reported placing orders with private firms "to revive trade," "to revive production," or to help private firms "tide over their production problems."

CONFIDENTIAL

CHANGE TO  
UNCLASSIFIED  
PER REGRADING  
BULLETIN NO. 20

CLASSIFICATION

STATE	X	NAVY	X	NSRS		DISTRIBUTION													
ARMY	X	AIR																	

CONFIDENTIAL

- 2 -



There is more evidence of a shortage of technicians, as well as new efforts to build up the superiority of Soviet technical methods in the minds of the Chinese. Considerable stress is placed on spring farm production, described in one broadcast as of "decisive significance." Various broadcasts express concern over plans for increased production "to supply domestic and foreign markets during the coming year," famine, and shortages of seed and draft animals. Many shortcomings among the farmers themselves are noted.

CONFIDENTIAL

FOR OFFICIAL USE ONLY

25X1A

25X1A

25X1A

# CONTENTS

ANTIWASTE, ANTICORRUPTION, ANTIBUREAUCRACY.....	1
COMMERCE AND INDUSTRY.....	3
AGRICULTURAL PROBLEMS.....	7
NATIONAL MINORITIES.....	8
MISCELLANEOUS.....	9

## ANTIWASTE, ANTICORRUPTION, ANTIBUREAUCRACY

Progress of Drive. Dairen stated (Apr. 17) that an anticorruption exhibition at Dairen "exposed the attacks of the capitalists upon the working class," leading many corrupt elements to confess and many workers to "correct their thoughts." Dairen said (Apr. 18) that the local Youth Corps had called a meeting to induct members and to award citations to members for their good work in the anticorruption drive, and added that as a result of the anticorruption drive many active cadres had been promoted to positions of leadership. Chinchow claimed (Apr. 14) that under the leadership of the local Austerity Committee 1,500 factory workers and the law-abiding merchants had organized to assist each other in rounding up major corrupt merchants. Chinchow added (Apr. 16) that the Liu Shao-ying team in the Chinchow Textile Mill had exposed more than 100 cases of corruption in addition to achieving outstanding production records.

Tsinan asserted (Apr. 20) that workers had greatly increased their political consciousness as a result of the anticorruption drive, as illustrated by applications from 1,500 workers for trade union membership and long lists of applicants for Youth Corps membership. Shanghai announced (Apr. 17) that a series of talks on "The five-anti's drive in Shanghai" would be broadcast Apr. 18-28. Shanghai stated (Apr. 20) that the third stage of the anticorruption drive had started with examination of major corrupt elements by chu committees, and added that many "active cadres" had come to the forefront through their accusations and now were concentrating on collection of information against merchants and advising dependents of merchants to make accusations.

Hofei said (Apr. 20) that cadres in local State trading companies had been given promotions in recognition of their anticorruption drive efforts, and that "progressive workers" in Pengpu had been promoted to positions of leadership. The HUAN NAN HUAN PEI JIH PAO was quoted as commenting on the need to promote active cadres to positions of leadership "to replace and combat agents of capitalists." Wuhan reported (Apr. 20) that Canton shop clerks had held rallies and organized the workers in 90 trades to gather information and expose corrupt merchants, which had led 187 construction firms and 84 rubber trade firms to confess and receive lenient treatment at the hands of the Canton Austerity Committee. Kunming announced (Apr. 15) that the Kunming Government held an anticorruption rally in Victory Hall to review the progress of the drive, adopted a resolution to "fight corruption to a victorious finish," and decided to publish the proceedings of the meeting in the press. Kunming reported (Apr. 20) that 1,500 shop clerks attended an anticorruption rally, passed sentences on 90 cases of corruption, and sent a message to Chairman Mao promising not to stop the drive "until all corrupt elements have been rounded up."

Adjudication and Settlement. Anshan reported (Apr. 19) that at an Anshan Steel Mills rally 19 corrupt elements were pardoned, three sentenced to surveillance by their offices, and two given prison terms for denying their corruption. Chinchow announced (Apr. 17) that the Chinchow People's Tribunal sentenced five "top grafters" to prison terms; sentenced three who "stubbornly resisted the anticorruption drive" to labor reform; turned over three who confessed completely to their organizations for surveillance; and gave only administrative punishment to five who "showed genuine repentance," returned their stolen goods, and "actively reported others." Tsinan announced (Apr. 15) that a local People's Tribunal with two branches had been set up to adjudicate corruption cases. Shanghai (Apr. 15) quoted from a CHIEH FANG JIH PAO editorial in saying that in the "second stage" of the anticorruption drive in Shanghai 20,000 firms had been adjudicated, but that major corrupt elements "still have not yet confessed" and would have to do so soon if the Government were to refrain from taking drastic measures. Shanghai said (Apr. 17) that 100,000 workers had taken part in the drive in Wuhsien, where 4,900 out of 8,000 firms had been adjudicated; and that in Wuhsi the second drive had closed, the third begun, and 10,000 firms had been adjudicated. Shanghai reported (Apr. 18) that Deputy Mayor Pan Han-nien had said most of the 2,000 Shanghai firms investigated in the second stage of the anticorruption drive had confessed and been granted leniency, while the remaining ones were being given a last chance to confess.

Hangchow announced (Apr. 16) that the city was "victoriously concluding" its anti-corruption drive, with even the cases of 62 "seriously non-law-abiding firms" that had defrauded the Government of 400 billion yuan adjudicated. Kao Tzu-ching, accused of embezzling 178 million yuan, was pardoned because he confessed, while Mao Chung-tun, who refused to confess and held up workers' wages, was arrested. Corrupt merchants in the dyestuff and kerosene trades showed their appreciation of the Government's leniency by "paying their back taxes and operating their businesses honestly under the guidance of the workers." Hangchow added (Apr. 19) that with adjudication of 98 percent of the major corrupt firms in the city, who had defrauded the Government of 420 billion yuan, the anticorruption drive was "basically completed." Hofei reported (Apr. 19) that the local Austerity Committee removed merchant Chen Wen-chi from prison and pardoned him when he confessed and offered to make restitution. Chen Ping-nan confessed and made immediate restitution of 140 million yuan, but Kung Chang-fa and Chu Yu-chin were arrested for refusing to confess and make restitution.

Yangchow announced (Apr. 18) that Nantung, Kiangsu, which started its third anticorruption drive Apr. 15, had adjudicated the corruption cases of 1,600 firms. Nantung announced (Apr. 15) that in accordance with the Central Government directive the Nantung Special District had set up five People's Tribunals to try corruption cases. Commissioner Wang Chung-cheng urged the judges to "uphold the dignity of the law" in adjudicating cases and "urged consideration for trained personnel regardless of their corruption." Nantung said (Apr. 17) that the Austerity Committee had called a meeting to urge workers to carry the drive to a successful conclusion. Nantung asserted (Apr. 18) that factory owners now were "simultaneously making full confession and promoting full production." Corrupt merchants who had been pardoned expressed to the workers their appreciation for "help in correcting their corrupt ways," and promised to cooperate with the workers in promoting production.

Wuhan declared (Apr. 14) that the third campaign against corrupt merchants in Wuhan had been brought to a successful close and the fourth one started with consultations

- 3 -

between workers and managers to study ways of increasing production. Kunming announced (Apr. 20) that the Yunnan Austerity Committee was completing the anticorruption drive by organizing People's Tribunals to adjudicate corruption cases.

Peking reported in numeral code (Apr. 14) that in Shanghai's Penglai, Imiao, Hsincheng, and North Szechwan Road Chu, 5,000 firms had been examined, classified, and served notices, while in 13 chu, including Laocha and Yangshupu, 21,700 firms were being screened by trade guilds and rapidly would be classified. The trade guilds had been organized to "carry out assistance and criticism" and handle "small-scale accusation meetings" among the 150,000 generally law-abiding firms of the city's 163,000 small and middle-sized businesses that had been "unwilling to confess." The policy of "leniency toward confession and strictness toward resistance" was being carried out. For instance, the Yupaihsuan Arts Shop of Penglai Chu was classified as law-abiding because of its "outspoken confession, admission of offenses, and exposure of violations by seven industrial and business firms of the vicinity," while the Sungtai Flour Shop, despite the minor nature of its violations, was classed as "fundamentally non-law-abiding" because of its refusal to confess.

Errors and Weaknesses. Tsinan reported (Apr. 16) that the Tasheng Import-Export Company of Tsingtao organized a "bogus workers union" among employees in February 1950, which it used to exploit the workers during the anticorruption drive. Kunming stated (Apr. 14) that cadres in Yunnan Government organs were lax, with the result that the anticorruption drive spent itself, with corrupt elements escaping punishment. Cadres were warned to "overcome their hesitancy" immediately and round up major corrupt elements. Kunming added (Apr. 17) that workers in local light industries had organized for better promotion of the anticorruption drive and had been urged to "overcome their rightists leanings and ward off the infiltration of capitalist elements."

Kunming reported (Apr. 17) that the Kunming Party Committee called a meeting of leading cadres in local State industries, when speakers pointed out that leadership in State enterprises during the anticorruption drive had been very poor, and had "actually endangered the working class movement by its ignorance." Cadres were urged to strengthen their internal organizations and "educate their leadership." Kunming said (Apr. 18) that the Austerity Committee in the Kunming branch of the People's Bank had called a meeting to "correct the thinking of the cadres" and intensify the work of getting family members to make accusations. Cadres had failed in indoctrination of family members, and even had disbanded a class organized to train dependents in making accusations.

Cases of Corruption. Tainan reported (Apr. 19) that shrimp dealers in Tentai, Shantung, had been charged with illegally raising the price of shrimp from 200 to 230 yuan per catty Apr. 10, and then illegally reducing the price Apr. 12 when the fishermen came in with their hauls.

Wuhsi announced (Apr. 16) that Yang Chin-pao, "local gangster" of Changchou, Kiangsu, had been arrested along with his accomplices for infiltrating cadres into State enterprises to defraud the Government. He had agents in all the large trading centers, regularly evaded taxes, and refused to confess. Nantung reported (Apr. 19) that Liu Tai-yu had been arrested and charged with being the ringleader of a gang of 30, including members of his own family, who had defrauded the Government of 4 billion yuan by infiltrating agents into the cooperatives of northern Kiangsu and branches of the China Cotton and Textile Company in order to manipulate the market.

Sian announced (Apr. 20) that the People's Tribunal in Chu 5 had sentenced 19 corrupt merchants Apr. 13, including the owner of the Yenao Auto Supply Company, who defrauded the Government of more than a billion yuan last year. Peking said in numeral code (Apr. 18) that the Sian People's Tribunal adjudicated 82 cases Apr. 11, granting leniency to the Yenao Auto Supply Company, the Chihsiang Tire Shop, and the Lihua Auto Supply Company, but punishing severely Huang Kuang-ting, owner of the Lichung Auto Supply Company, for refusing to confess, destroying evidence, and falsifying accounts.

#### COMMERCE AND INDUSTRY

Effects of Anticorruption Drive. Shanghai asserted (Apr. 17) that in local privately-owned



- 4 -

factories the "increased political consciousness" of management following the anticorruption drive had led to worker-management consultation committees to promote production and to strive for completion of processing contracts. Wuhsi stated (Apr. 14) that workers in the Tanyang office of the China General Merchandise Company, because of their "increased political consciousness" resulting from the drive, had sent teams to the villages to sell merchandise, and were "now more polite to the customers."

Peking claimed in numeral code (Apr. 17) that in Chengtu, Szechwan, the drive had exposed malpractices in the marketing system, which enabled one oil and fat merchant, Liu Pin-ju, to tie up 3.6 million catties of oil in 1950. Changes now had been made to consolidate the number of markets, replace the leadership with progressive cadres, eliminate trading outside the market, increase tax revenue, and break the power of monopolists. Chungking stated (Apr. 20) that through elimination of corrupt elements in the Southwest Engineering Bureau, track now was being laid at the rate of 4 miles plus 450 feet daily, with traffic scheduled to open between Tzuyang and Tzuchung Hsien Apr. 21. Numerous other broadcasts claimed productive gains as a result of the anticorruption drive.

Chinchow reported (Apr. 14) that, "in order to coordinate the anticorruption drive and normal operations," a meeting of store managers in the Liaosi branch of the China General Merchandise Company was called Apr. 1 to "discuss the revival of normal business operations." The company had ceased to function for 41 days because "the cadres were all involved in one way or another in corruption cases," and rural cooperatives had refused to handle general merchandise "because they thought there was no sale for such goods." In other businesses of Chinchow worker-management conciliation talks were held in an effort to prevail upon factory owners to pay workers' salaries which had been held up by the owners on the plea that they were unable to pay. Tsinan reported (Apr. 17) that the Party Committee of the Chaochuang Colliery, Shantung, called a meeting Mar. 27 and instructed cadres to continue production along with the anticorruption drive, as undue attention to the drive had caused workers to complete only 80 percent of the colliery's quotas for the first quarter of 1952.

Shanghai asserted (Apr. 15) that Hangchow merchants had reduced prices on daily necessities and were selling better goods "to cooperate with the workers in reviving trade." Hangchow reported (Apr. 14) that, because of the heavy rains "and the disinterestedness of the cadres who were involved in corruption cases," State company warehouses had been left unattended and 260,000 catties of native products were rotting. Hangchow stated (Apr. 16) that the Lungchang Silk Mills in Hangchow had formerly produced high-quality silks, but after the anticorruption drive got under way "the quality dropped because the workers lost interest in production." The Chekiang Department of Trade issued directives calling for better care of goods in warehouses, but discovered that the cadres had made no move to improve the situation, as they had the attitude: "Forget business; attend only to the antiwaste, anticorruption, antibureaucracy drive."

Nantung announced (Apr. 15) that the Hardware Workers Union in Nantung called a meeting Apr. 8 to study possible settlement of corruption cases in the hardware trade, and instructed 22 hardware firms to "make amends and resume production." Wuhsi reported (Apr. 14) that the Changshu, Kiangsu, Austerity Committee had called a meeting of 28 rice mill owners with workers to correct the thinking of the owners and "study plans for resuming production." Most of the mill owners, when accused of corruption, had stopped work and "said they would eat everything up." Peking said in numeral code (Apr. 15) that as a result of the drive the Tientsin Railway Bureau had by Apr. 10 promoted 348 persons to leading positions. With new personnel in leading positions and 10 percent of the workers engaged in tiger hunting, "inspection and repair of locomotives was difficult." Wuhan stated (Apr. 16) that the Central and South China office of the People's Bank issued an emergency order demanding that all banks, especially rural banks, "pay attention to normal business operations" and designate a definite number of personnel to handle loans, especially farm loans.

Chungking announced (Apr. 17) that in 11 State-owned trade agencies under the Yunnan Department of Commerce 40 Youth Corps cadres had been promoted to high positions to replace grafters. Kunming reported (Apr. 14) that workers in the packing section of the Yunnan Tobacco Company had been promoted to administrative positions, but many "felt unequal to the task, and some even refused to take the jobs." Party and Youth Corps cadres

now were working with these employees "to keep them on the job" and teach them administrative routine. In the Kunming Power Plant weekly conferences were scheduled to help solve operational problems. Many workers had been promoted to administrative positions, but because of their lack of experience in administration and their general lack of educational background, "many could not cope with the situation." Kunming asserted (Apr. 18) that in the Yunnan Electrical Control Bureau workers had increased their political consciousness and their efficiency as a result of the anticorruption drive, and now were "spending their spare time to complete prescheduled work."

Reductions in Cost and Price. Peking declared in numeral code (Apr. 16) that since the five-anti's drive started private firms had become much more reasonable in estimating processing costs. In Mukden the Chienhsing Ironworks lowered their estimates on costs of six kinds of machines by 33 percent. The "knife-model switch" still was estimated at 180,000 yuan, despite the fact that workers now furnish their own food. When this discrepancy was pointed out the estimate was lowered to 98,000 yuan. Peking said in numeral code (Apr. 17) that in Sian the Bureau of Cooperatives signed processing contracts for 1,300 Liberation Model water pumps with 1, private machine shops at a cost of 1.5 million yuan per pump. Last year the figure was 2.02 millions. Costs were worked out by a committee of workers, managers, and technicians. Workers placed the number of man-hours per pump at 15.5, but when management objected that 24 hours were needed a careful survey was made and the figure lowered to 14.5. Workers were able to assemble a pump in 2 hours instead of the former 20.

Chungking announced (Apr. 15) that production costs had been cut on 600 items from 2.5 to 50 percent, as shown by Bureau of Industry figures. Battery costs were reduced up to 20 percent; soap 20 percent; caustic soda 12 percent, woolen yarn 15 percent; and steel rails from 14 million to 9.6 million yuan. Chungking added (Apr. 18) that the Southwest Industrial Department had announced lower production costs 57 percent in insulated pipe; in transformers 5 percent; steel plate 17.4 percent; powdered coal 15 percent; electric power 5.9 percent; onion skin paper 20 percent; bond paper 10 percent; wrapping paper 10 percent; newsprint 6.8 percent; and steel from 7.4 million yuan to 6,682,000 yuan. A Peking numeral code transmission claimed (Apr. 18) that iron mongers in Chungking now could make a 4.2-million-yuan profit on a ton of iron, whereas they formerly charged 7 millions, while damage had been reduced from 10 to 16 percent on goods delivered to the Southwest Department of Communications.

A Peking home service broadcast (Apr. 15) claimed that price cuts throughout China averaged 8 percent, and ranged up to 40 percent. A Peking numeral code transmission (Apr. 15) said that in Canton prices on 11 needlework items had been cut 11.4 percent, on 13 rubber commodities 10 percent, on 22 ceramic products 9.8 percent, on 33 kinds of leather goods 10.4 percent, and on 3 kinds of soaps 18 percent. Wuhsi announced (Apr. 15) that the Native Products Company of northern Kiangsu had reduced prices on oil, tea, and sausages, and had cut 2,000 items of daily necessities 11 percent in Wuhsi; 1,000 items 11 percent in Chenching; 1,000 items 10 percent in Wuhsien; and 660 items 10 percent in Changchou.

Mukden reported (Apr. 16) that local cooperatives had reduced prices 5-40 percent on knitted goods, chinaware, and stationery. Chungking stated (Apr. 16) that the Chungking branch of the China Food Company had cut prices on second grade flour 5.3 percent, while the Wen Hsien branch cut wheat prices 7 percent, "in order to increase the sale of food." Sian said (Apr. 17) that the Northwest Trading Company had reduced prices on 1,500 items, including a 2,500-yuan cut on each bag of flour. Chinchow claimed (Apr. 18) that the Liaosi branch of the China General Merchandise Company had cut prices on 800 items.

The weekly market quotations for East China cities broadcast by Shanghai (Apr. 16) showed price cuts on two items "in the past week." Flour was down 1.4 percent in Tsinan; 3.8 percent in Tsingtao; and 1.2 percent in Hangchow. In Nanking, salt prices were 0.9 percent lower than a week earlier. On the other hand, tung oil was up 1.5 percent in Tsingtao, and yellow beans were up 5.7 percent in Nanking. All other items were quoted exactly as on Apr. 10, and for the second consecutive week no quotations were given for Foochow.

- 6 -

Aids to Private Business. Peking announced in numeral code (Apr. 15) that in Canton and Kwangtung, State-owned business companies were continuing to place orders, including processing orders, with private firms "to execute the correct policy of integrating the five-anti's struggle with production." Since late in March 2,000 private firms had received orders, at least 6,000 had benefited, and plans were made to accelerate the program until June. Half the funds for procurement were scheduled to go to private firms. Peking reported in numeral code (Apr. 16) that the Mukden Economic Planning Committee, Bureau of Industries and Commerce, and the Mukden office of the China Industrial Equipment Company, had set up a committee to study and handle processing orders to assist industrial and commercial enterprises "beneficial to the national economy." It was decided to purchase large orders of goods difficult to sell from the private machine and metallurgical industries, and by Apr. 1 the Mukden office of the China Industrial Equipment Company had bought 20 different products, worth 2.4 billion yuan, from machine and metal companies.

Peking said in numeral code (Apr. 20) that 3,000 private firms in Shanghai had received loans and processing orders from State trading companies "in order to revive trade," and by mid-April tax receipts had increased 24.5 percent over the previous month. A system had been inaugurated whereby private factories were required to use the funds or materials for designated purposes only, with the Fuhua Dyeing Works, the Shanghai Pencil Factory, and the Chunghua Ironworks now operating under these new conditions. Tsinan (Apr. 15) quoted local officials as urging State industries to place processing orders with private firms "in order to revive production." Tsinan announced (Apr. 19) that the Tsinan branch of the China Food Company was assisting private industry by placing orders for processing of 88,338 catties of wheat with the Chaofeng, Hengfeng, Paohsing, Huachin, Kunglien, and Kungfeng Flour Mills.

Shanghai said (Apr. 17) that public trading organizations had placed orders with 3,000 local firms in 34 trades "to help them tide over their production troubles." Hangchow stated (Apr. 19) that State trading companies were giving processing orders "to assist adjudicated firms," while workers were helping them to resume normal operations by increasing productive efficiency. Wuhsi asserted (Apr. 15) that in Changchou, Kiangsu, senior clerks Hsu Yao-ching and Chiao Chi-seng took over the tasks of fellow clerks "so that business would not suffer." Hsu Yu-seng's clerks persuaded him to pay 10 million yuan in back taxes and to "reopen business." Kunming declared (Apr. 20) that in Yunnan the Government was "reviving production by placing processing orders with private firms."

However, Peking reported in numeral code (Apr. 17) that the State-owned Woosung Machine Shop, Shanghai, had stopped its practice of giving contracts for the manufacture of parts to private firms, as it had been found the parts could be made in the company's own shops at a saving of 3 billion yuan.

Plans and Programs. Peking announced in a home service broadcast (Apr. 15) that the Chinese delegation at the Moscow Trade Conference had concluded trade agreements with representatives from France, Holland, Switzerland, and Ceylon. Shanghai stated (Apr. 14) that "in order to supply domestic and foreign markets during the coming year," East China would increase cotton production 28 percent, tobacco 17 percent, jute 96 percent, silk 20 percent, and tea 12.7 percent. Mukden reported (Apr. 15) that materials had been stockpiled at Mukden for construction of the No. 8 Cement Works. Mukden said (Apr. 19) that the Kungta Steel Mills had turned out China's first turbine, after years of research, and found it to be much superior to those of the Japanese regime.

Mukden announced (Apr. 14) that 877 labor cadres, architectural workers, engineering foremen, carpenters, technicians, and clerks, completed their 2-month course at the Northeast Workers University Apr. 11. Chinchow reported (Apr. 16) that 43 workers were taking a 3-month course in the Chinchow Railway Shops to improve their knowledge of mechanics. Mukden reported (Apr. 15) that the Northeast Federation of Labor had called a meeting, in response to a Department of Industry directive, to discuss methods to reduce accidents and prevent fires in industrial plants. Wuhan announced (Apr. 15) that the Hunan Government had issued an urgent directive on dike inspection to combat spring floods in the 11 hsien bordering Tungting Lake.



Sian asserted (Apr. 17) that workers in the Tungkuang Colliery were adopting Soviet work methods in order to promote production, had overfulfilled their quotas, and raised their 1952 quotas by 70 percent. Mukden reported (Apr. 19) that the Northeast Department of Industry was making use of 20 years of Soviet workers' experience, had issued a directive establishing USSR standards and specifications for all construction work, and expected as a result to save 10.7 to 13 percent on 15 new construction projects. Peking said in numeral code (Apr. 20) that workers of the Chingchiang construction project held a meeting Apr. 7 to discuss the achievement of the launch itu, which successfully employed the Soviet technique of "column towing," doubling its towing capacity and cutting its time in half.

#### AGRICULTURAL PROBLEMS

Spring Production. Peking asserted in numeral code (Apr. 14) that in Central and South China the emulation campaign to make rice production average 1,000 catties to the mou was spreading rapidly, had enlisted 200,000 families in Hunan Province, 30,000 in Nan Hsien alone, on Tungting Lake, and 20,000 families in Liling Hsien. Peking in numeral code (Apr. 16) quoted Northeast China Chairman Kuo Kang as declaring that spring cultivation "has decisive significance in this year's agricultural production." In order to use all available forces in spring production, the anticorruption campaign should in all hsien be "temporarily suspended irrespective of the necessity of concluding the movement or solving certain problems in the movement."

Chinchow reported (Apr. 14) that Chairman Yang I-chien of Liaosi Province called a meeting of relief cadres from Kaiyuan, Tiehling, Hsining, Liaochung, and Taian to discuss work relief for famine sufferers and plans for spring production, when he announced cancellation of the production differential favoring famine areas, meaning that now these areas would be expected to fulfill quotas originally set up areas not affected by famine. Kunming announced (Apr. 15) that authorities in the Kuangtung Special District, Yunnan, recently issued 1.5 million catties of grain for immediate relief, with instructions that the grain would be returned after the spring harvests at current prices in the local cooperatives.

Hangchow reported (Apr. 14) that in Sheng Hsien, Chekiang, the local Government and Party Committee issued a directive Apr. 11 pointing out that 300,000 mou of land remained uncultivated, 50 irrigation projects were not completed, and drought had developed in some areas. Cadres were ordered to organize the peasants, including women, to repair irrigation systems and cultivate the land. Women in Tunglu Hsien, Chekiang, were said to be promoting the preferential treatment program and the spring production program "to combat American bacteriological warfare." Several women promised to raise ducks, chickens, and "patriotic hogs" and to boycott cosmetics and religious charms. Tsinan reported (Apr. 16) that in the Laoshan area of Shantung 70 percent of the women were working to combat drought, eliminate germ-laden insects, and promote spring farming, with 12,000 women at work in the wheat fields.

Chinchow reported (Apr. 14) that the Liaosi branch of the People's Bank had allocated 28.9 billion yuan for loans to organized peasants and dependents of servicemen to buy draft animals, fodder, bean cake, lumber, rice, wheat, bean seed, and other materials for spring production. Yangchow stated (Apr. 17) that peasants in Lienshui Hsien, Kiangsu, were carrying out the preferential treatment program by assisting dependents of Army men with spring farming. Nanchang said (Apr. 19) that in Shangjao Hsien, Kiangsi, peasants and cadres had organized to carry out the preferential treatment program in spring farming work.

Land Reform. Kunming announced (Apr. 14) that cadres and peasants in 35 hsien of Yuchi Hsien, Yunnan, had successfully distributed land, and were completing land reform by holding meetings to distribute confiscated assets. Land reform in Chu 2, Luliang Hsien, was not successful because the cadres "did not completely suppress reactionary landlords and counterrevolutionaries." Poor farmers and peasants were unable to stand up against the landlords, so the Party Committee has had to take steps to strengthen their leadership.

Kunming reported (Apr. 16) that farmers met in Chu 3 of Puning Hsien, Yunnan, called upon bandits who operated in the area under the Kuomintang regime to forget their past mistakes, and asked them to join the farmers associations. In Malung Hsien cadres called meetings of villagers to confiscate and distribute assets of landlords, giving preference to poor farmers and dependents of Armymen. At first the villagers did not attend these meetings through fear of reprisal from landlords. Kunming stated (Apr. 18) that in Luliang Hsien confiscation of landlords' assets had been delayed "because of the rightist leanings of the cadres," but after indoctrination many hidden assets were uncovered and distributed.

Failures and Misunderstandings. Hangchow announced (Apr. 14) that rural cadres in Chekiang Province had been ordered immediately to initiate pest-control programs, as large areas left with insect-infected rice roots now were starting to cause trouble. The pest-control program was a failure in some areas because the cadres spent all their energies in the anticorruption drive. Hangchow stated (Apr. 18) that cadres in Chinghua and Tungyang Hsien, Chekiang, had been ordered to explain the Government's "free lending and borrowing policy" to the peasants, as many peasants were refusing to pay back grain which they had borrowed, thus injuring the growth of the policy.

Yangchow revealed (Apr. 14) that although the spring growing season already was well advanced, farmers in Shankang and Chuanchung Chu, Haiian Hsien, Kiangsu, were short by more than 10,000 catties of seed. The Party Committee issued a directive calling upon all rural cadres to alleviate this shortage by arranging seed loans and subsidiary production. Wuhan announced (Apr. 18) that the Hunan Government had issued a directive calling upon the people to prevent animal diseases and to refrain from slaughtering oxen. The directive also pointed out that confiscated oxen should be distributed only to peasants familiar with their care. Nanchang reported (Apr. 17) that cadres in Fouliang, Loping, and Tehsing Hsien, Kiangsi, had been ordered to "correct the thinking" of farmers who let their oxen die in order to collect the insurance. Farmers in Taiho Hsien also were ordered to take better care of the oxen given them from confiscated assets. In Chicheng Hsiang four out of each six oxen given to poor peasants die through the irresponsible attitude of the peasants, who shared the animals by rotation and failed to give them proper care.

Chungking complained (Apr. 15) that, though 95 percent of the distressed peasants in Yingshan Hsien, Szechwan, received money from the 25-million-yuan farm loan fund, some of the cadres simply divided the money among themselves, while others diverted the money to purposes not related to spring farm production. Peking reported in numeral code (Apr. 17) that in Hsiling Hsiang, Chingshen Hsien, Szechwan, a committee for the protection of domestic animals had made a contract with veterinarians following the loss of 33 oxen this spring. Chungking stated (Apr. 19) that plans for 20,000 irrigation projects in northern Szechwan were seriously endangered by poor leadership. In Chinghua village, Pingchang Hsien, 600 work days were wasted because the reservoir was improperly situated; a reservoir at Machun Hsiang, Yingshan Hsien, collapsed when filled with water; in Yutai Hsiang, Nanchung Hsien, a reservoir failed to hold water; and in Chungchiang Hsien 70 percent of the reservoirs were substandard. In Shehung Hsien three-fourths of the workers did not take part in the irrigation program because the leadership had no plans for construction.

Kunming complained (Apr. 16) that in Hsiang Hsien, Yunnan, cadres considered themselves Government officials who should not be bothered by problems of peasants, and therefore took no interest in farm plans. In Hsutse Hsien cadres were charged with rightist leanings because they took no interest in work relief and thought that spring production could best be left to the farmers. Kunming said (Apr. 19) that in Mochiang Hsien, Yunnan, cadres were so involved in the anticorruption drive that they failed to allocate one billion yuan in farm loans to the peasants.

#### NATIONAL MINORITIES

Chungking reported (Apr. 18) that Tibetans in the Sikang mountains were increasing their flocks of sheep and goats, improving the irrigation systems, and would place 3 million mou of new land under cultivation. Peking said in numeral code (Apr. 18) that Mao tribesmen in the Kaopo Autonomous Area of Kweichow, were expanding their agricultural operations. Sian stated (Apr. 19) that nomads in Tsinghai Province fully supported the

Government program to increase sheep 15 percent, cattle 19 percent, and horses 16 percent. Sian reported (Apr. 20) that in Sinkiang the "Tihua Kolkhoz" with 430 families and 1,300 persons was formally opened Feb. 12, as well as the Hsingkuo Kolkhoz. They already had begun spring farming "with the technical assistance" of the People's Liberation Army, and will open up 10,000 mou of virgin land. Wuhan reported (Apr. 20) that Teng Tzu-hui, Chao Erh-lu, and Liu Fei had been appointed to the newly created office of flood control organized Apr. 15 for Central and South China.

Peking announced in numeral code (Apr. 14) that the Hainan Administrative Office had decided to "promote self-government in the minority regions of Hainan" by the development of Li and Miao autonomous regions in 1952. Peking stated in a home service broadcast (Apr. 17) that Chinese Volunteers and Korean delegates completed their mission in Sinkiang after making 100 speeches to 600,000 persons. Kunming said (Apr. 15) that cadres of national minorities met in Paoshan Hsien, Yunnan, Mar. 16 to discuss border defenses. After hearing talks by Chinese Volunteers on American imperialistic aggression, they expressed their strong determination to resist American imperialism.

#### MISCELLANEOUS

Counterrevolutionaries. Kunming reported (Apr. 14) that 40,000 persons were present at a public trial Apr. 13 when 29 secret agents, lawless landlords, bandits, and leaders of reactionary religious sects were sentenced to immediate execution, with 19 others given suspended death sentences and long prison terms. Foochow said (Apr. 18) that training during the winter greatly increased the political consciousness and military skill of militiamen from 110 hsien in 16 hsien of the Minhou Military Subdistrict of Fukien. Cadres in Chingtu Hsiang, Minhou Hsien, "have overcome their complacency and now are suppressing counterrevolutionaries." Hangchow stated (Apr. 18) that Chekiang cadres had been instructed to strengthen their leadership in the fight against counterrevolutionaries. In Yehchang Hsiang, Shanyu Hsien, 1,300 mou of land was damaged when a dam that had just been completed was breached, while in Kunming Hsiang Deputy Militia Chief Shi Hsin-ching, without realizing it, lost three rounds of ammunition while on night patrol.

Thought Reform. Sian reported (Apr. 14) that under the leadership of the Higher Institutions Study Group teachers and students in the four colleges of the Northwest were studying material on dialectics to reform their thinking. More than 100 from the Northwest College of Medicine took the course in self-criticism. Wuhsi said (Apr. 16) that in Chiating Hsien, Kiangsu, with 873 propaganda cadres in 1951, the number had increased greatly to provide local political indoctrination. Kunming stated (Apr. 20) that the Yunnan Tax Bureau had called in cadres from the rural tax bureaus for a course in thought reform, as the anticorruption drive showed they had not been thoroughly indoctrinated.

Soviet Guidance. Mukden reported (Apr. 17) that the FUSHAN JIH PAO carried an account of a rally given for Model Worker Liu Chin as he departed for Moscow as a delegate to the May Day celebrations. Liu was quoted as saying he would report to the people of the USSR on the achievements of Chinese workers, "and learn the latest Soviet techniques so he can teach them to his fellow workers."

American Aggression. Peking in a home service broadcast (Apr. 18), repeated by Mukden (Apr. 19), claimed that four American planes invaded Liaotung Province on the morning of Apr. 13, one of them being shot down by ground fire. A Peking home service broadcast (Apr. 15) stated that medical personnel in Lhasa and lama herb doctors held a meeting to protest American use of bacteriological warfare.